

## Message Text

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PAGE 01 STATE 216653  
ORIGIN OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-08 L-03 COME-00 CIAE-00  
INR-10 NSAE-00 /038 R

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P 251812Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY PORT AU PRINCE PRIORITY

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FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJECT: SANGAMO-BARTER DISPUTE

REF: PORT AU PRINCE 3377

1. LES MICHAEL OF LORD, BISSELL AND BROOK, ATTORNEY FOR SANGAMO-BARTER, CALLED ON OPIC TO DISCUSS WHAT HE VIEWED AS A POTENTIAL OPIC CLAIM SITUATION AND TO ENLIST OPIC'S ASSISTANCE IN AVOIDING A POSSIBLE CLAIM.

2. MICHAEL DETAILED SANGAMO-BARTER'S VERSION OF THE DISPUTE STATING THAT 13 OF SANGAMO-BARTER'S 14 DEMANDS HAD BEEN TENTATIVELY AGREED TO BUT THAT REPLACEMENT OF THE SUPERVISORY ENGINEER WAS STILL BEING RESISTED BY THE GOH; SANGAMO-BARTER CONSIDERED REPLACEMENT OF THE ENGINEER AN  
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PAGE 02 STATE 216653

IMPORTANT PREREQUISITE TO RECOMMENCEMENT OF WORK. ACCORD-  
ING TO MICHAEL, SANGAMO-BARTER'S OBJECTION IS BASED UPON  
THE DIFFICULTY OF WORKING WITH THE ENGINEER WHO WAS  
DESCRIBED AS OBSTRUCTIVE AND UNREASONABLE IN CARRYING OUT  
HIS ROLE. MICHAEL SAID THAT SANGAMO-BARTER SUSPECTS THAT  
THE ENGINEER MAY BE EXPECTING A BRIBE BUT MICHAEL  
EMPHASIZED THAT THE ENGINEER HAS NEVER SOLICITED AN

IMPROPER PAYMENT FROM SANGAMO-BARTER, AND THERE IS NO EVIDENCE TO SUPPORT THE SUSPICIONS.

3. IN A SUBSEQUENT CONVERSATION MR. COOK, AN ATTORNEY FOR THE INTERAMERICAN DEVELOPMENT BANK, INFORMED OPIC OF INFORMATION DEVELOPED SUBSEQUENT TO MICHAEL'S VISIT WITH OPIC AND THE IDB SUGGESTING THAT THERE MAY BE MORE SUBSTANCE TO THE ENGINEER ISSUE. SANGAMO-BARTER APPEARS TO BE ATTEMPTING TO OBTAIN A HIGHER UNIT PRICE INCREASE IN THE CONTRACT. THE GOH IS WILLING TO INCREASE THE UNIT PRICE BY 25 PERCENT OVER THE BID PRICE BUT NO MORE. THE IDB BELIEVES THAT THE SUPERVISORY ENGINEER IS PROBABLY NOT SUPPORTING SANGAMO-BARTER'S POSITION, AND SANGAMO-BARTER MAY FEEL THAT IT CAN OBTAIN SOME SUPPORT FROM A NEW ENGINEER.

4. IF SITUATION IS NOT RESOLVED, THERE ARE TWO POSSIBLE DEVELOPMENTS UNDER WHICH SANGAMO-BARTER COULD EVENTUALLY PRESENT A CLAIM AGAINST OPIC: (1) IF SANGAMO-BARTER REQUESTS ARBITRATION UNDER THE DISPUTE RESOLUTION MECHANISM OF THE CONSTRUCTION CONTRACT AND THE GOH FAILS TO GO TO ARBITRATION WITHIN SIX MONTHS, OR (2) SANGAMO-BARTER AND THE GOH ARBITRATE A DISPUTE AND THE GOH FAILS FOR A PERIOD OF SIX MONTHS TO PAY AN AWARD RENDERED AGAINST IT. OBVIOUSLY, THE SITUATION IS FAR FROM PRODUCING A CLAIM AGAINST OPIC. NEVERTHELESS, AS LIMITED OFFICIAL USE

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PAGE 03 STATE 216653

OPIC EXPECTS FURTHER CONTACT FROM SANGAMO-BARTER IF THE PRESENT IMPASSE IS NOT RESOLVED, OPIC WOULD APPRECIATE THE EMBASSY KEEPING OPIC ADVISED OF ALL DEVELOPMENTS. DECONTROL FOLLOWING 12/82. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION INDUSTRY, FINANCE, TRADE COMPLAINTS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE216653  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RSTERN  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780349-0008  
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**Message ID:** 9e4c755b-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 78 PORT AU PRINCE 3377  
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**Review Exemptions:** n/a  
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**Subject:** SANGAMO-BARTER DISPUTE  
**TAGS:** EINV, ECRE, ELTN, EFIN, HA, US, IDB  
**To:** PORT AU PRINCE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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